

Farm Bill Forum Speech

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Written By: Kasey Koepplin

U.S. Agriculture Secretary Mike Johanns

Good afternoon Mr. Secretary, I'm Kasey Koepplin, from the Grant County FFA Chapter. Thank you, for coming to the fair, and for taking the time to listen to our various opinions. Today I will be speaking about challenges facing new farmers, and also on the distribution of farm program benefits.

First I would like to speak on the issues facing new farmers. What I feel is the main issue is the price of farmland. Today, land prices are higher than ever, and because of this it is harder for a beginning farmer to start out. For example, an older couple in the community had been renting about a section of pasture and farm ground to a middle aged man (47) and his son (22). They had been renting the land for a number of years, and had always said that if the couple ever wanted to sell, that the boy would like to have first chance. Well, this summer the couple decided to sell, but never really gave the young man a chance at it. This was because a buyer had been found almost right after the land had been put up for sale. When the father and son found out about it, they asked what he was paid for land and he said, "At an offer of 500 dollars an acre, I couldn't resist it." Well you can't blame the couple for selling it to the higher bidder, but when the land is only worth 250 to 300 dollars an acre and sells for 500 there is no way the farmer can buy it. I mean if you can sell land at 500 dollars an acre compared to 250 or 300 dollars an acre, which offer would you take? Well I know that many more of us would take the higher offer, but the problem is with land that high, even if the young man had purchased it for 500 dollars an acre it would have cost him over a quarter of a million dollars. The other major consequence of this is that the other buyer intends to use it for mainly hunting purposes, and has no plans to use the land for agricultural purposes.

However, land prices are not the only obstacles that young farmers must overcome. They also have the rising costs of fertilizers, fuel, machinery, parts, hunters with large sums of money, and chemicals, yet the price of wheat over the last 5 years has not greatly increased. Here is an example of how items that are key to a farmers business have greatly increased. In 1992 a four hundred horsepower tractor brand new went for around 150,000 dollars, but now that

same horse power tractor with all the basic options is around 206,600 dollars. That is a change of over 55, 000 dollars. The average cost of a barrel of crude oil from 1992 to now has risen \$14.23. Yet my dad sold wheat in 1976 for \$2.86 right off the combine, now that same protein wheat is only \$3.42 right off the combine. That is only a \$.56 increase over nearly three decades. If you compare that to the inflation of a tractor or barrel of crude oil, it seems to be quite small. I think that we should take and look at this and realize that something is out of proportion and needs to be changed.

I think that one way we could address the high land prices is by younger farmers talking with retiring or middle aged farmers, and coming to an agreement that they can continue to farm the land, but when they are ready to retire they will sell it to them, and in the mean time the young man can start to pay it off, and as long as the land is farmed or grazed and not sold to hunters or any person not using the purchase for agricultural purposes, then the older farmer would be will to sell the land for less money. Now this may seem kind of far out there, but if today's experienced farmers really care for agriculture, and feel the land is being used for a good agricultural purpose. Why can't they sell it for a lesser price? As for the rest of the items I spoke about, many are controlled by overseas markets, or major businesses and corporations. I don't really know how a farmer can deal with these obstacles other than pay for them at the prices they are now, and hope they go down in the future.

Another way to pay for land may be a system by which a certain percentage of the profits from that land would first go towards the young farmers expenses on the land, a small percentage to the farmer, and then another percentage pays for the land. This may take a time period of 5 to 15 years or longer depending on the agreement between the two, but would make it easier on the younger man to pay off the land. It would help the farmer out greatly doing in such a manner, because even if he cannot pay it all out of his pocket the loans would be in a small enough amounts that the man could pay them off without going into deep dept. After the land is paid off then the farmer can do with the income as he wishes.

The only other thing that I can think of would be the government reserving a certain amount of money, which farmers could apply for through a program. Then depending on their average income, farm size, size of their livestock heard, as well as other important farm statistics. Then they would be eligible for a certain amount of funds to pay for their land, and then they would have the option of taking it all at once or over a period of time.

Moving onto the second issue that I would like to address is the distribution of farm program benefits. I think that the current LDP program, disaster programs, and other farm programs are doing well. However, they could use some improvement because most of these programs make it look like the larger farmers and ranchers are making it big, and this makes others think that the bigger you farm the better off you are. I think that everyone should be paid up to a limit like if one farmer owns a hundred head of cattle but another owns a thousand. I think that you should get paid disaster or assistance say up to three hundred head because if you put the limit at a thousand then you are telling the little farmer its to bad that he only has a hundred head of cattle, and that he should get more. Even though, he might only have resources for that hundred head. That or pay on an average bases, such as if the average number of livestock owned in the sate was a hundred and fifty then everyone that owns twenty plus head gets paid the same amount.

The LDP is a great program, but it is tends to keep the markets at a point where the payment from the program is small, yet the grain markets are still at a low enough point, that they do not cover all expenses or are just high enough to break even. . If we just kept the price twenty or thirty cents on the bushel or pound higher. Then we wouldn't need the LDP we would already be getting paid a fair amount for our product. I think that the prices should just be raised to an average price based on the average number of bushels all farmers have, or somehow make it so that the LDP helps out more when the prices are in the lower parts of the market. By doing this, it could be a possibility in the future that the LDP will no longer be needed, or will be a greater deal of help.

As you can see I have many ideas of how things should be handled. I hope that you will consider some of these ideas, and come up with a good bill that help out our young agriculturalists as well as those who are currently active in agriculture right now. Again thank you for your time Mr. Johanns.

Kasey Koepplin, Grant County FFA Treasurer

A handwritten signature in cursive script that reads "Kasey Koepplin". The signature is written in dark ink and is positioned below the printed name.